(c) This scheme has been introduced with effect from 1st November, 2002.

Increase in expenditure

†1978. DR. PRABHA THAKUR:
SHRI BALKAVI BAIRAGI:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government's attention has been drawn to the news-item which appeared in Dainik Jagran dated 21st August, 2002 captioned, "Bharhana tha Rajasva kar aur badh gaya kharch";

(b) if so, whether it is a fact that the Department has raised a battalian of officers for lowering the income tax related disputes and recovering the irrecoverable revenue and has increased its burden of salary but the locked up amount has gone up to ten thousand crore rupees;

(c) if so, the details in this regard; and

(d) what steps are taken/proposed to be taken up by Government for improving this situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) and (c) The Restructuring of the Income Tax Department was done after a long time in F.Y. 2001-02 and among other measures, the number of posts for Commissioners (Appeals) was increased with a view to expedite disposal of a large number of Appeals filed before Commissioners (Appeals). The Restructuring of the Department has not resulted in any additional expenditure on Salary and Allowances rather a saving of Rs. 3.05 crores is expected to be made on this account in the short-run. Despite increase in the number of posts at the Commissioner level, Restructuring has on the whole resulted in the down sizing of the Department by 4.75% as a number of posts at the lower levels have been surrendered.

†Original notice of the question was received in Hindi.

The newspaper report is misleading as the amount of Demands in litigation at the end of July, 2002 was Rs. 41,296.63 crores and not Rs. 60,000 crores as reported in the news item. The Demands disputed before Commissioner (Appeals) amounted to Rs. 34,796.93 crores on 1.4.2002, which has come down to Rs. 29,531.25 crores on 30.9.2002.

(d) There is no substantial issue raised in the newspaper report requiring specific action by the Government. The Tax Demands in Arrears are being liquidated by the Income Tax Department as per the Statutory Provisions and Administrative Instructions in this regard.

Recommendation of Tenth Finance Commission

†1979. SHRI LALU PRASAD:
PROF. RAM DEO BHANDARY:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the Tenth Finance Commission had prepared an alternative plan for revenue transfer to States according to which States were supposed to get 33 per cent of the gross Central tax receipts;

(b) whether it is also fact that the Committee constituted under the Chairmanship of the then Chief Minister of Rajasthan had also made recommendations in this regard; and

(c) if the answer to parts (a) and (b) above are in the affirmative, whether Government would make payment of 33 per cent to the States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) The Tenth Finance Commission recommended an alternative Scheme of Devolution of Central Taxes to the States. The scheme envisaged that 26% share in the gross proceeds of all Central Taxes be assigned to the States in lieu of existing share in Income Tax and Basic and Special Excise Duties and Grants in lieu of Tax on Railway passenger fares. In addition, 3% share in the gross proceeds of all Central Taxes was to be assigned to the States in lieu of existing share in Additional Excise Duties.

†Original notice of the question was received in Hindi.